

ONE SUMMER CHICAGO FISCAL SPONSORSHIP AGREEMENT

This Fiscal Sponsorship Agreement (this "Agreement") is made as of July 1, 2018 (the "Effective Date"), by and between Thrive Chicago NFP, an Illinois not-for-profit corporation ("Sponsor"), and the City of Chicago ("City"), acting by and through its Department of Family and Support Services ("DFSS"). Sponsor and City are sometimes referred to individually as a "Party" and collectively as the "Parties".

RECITALS

A. WHEREAS, City operates the One Summer Chicago program (the "Program"), which brings together government institutions, community-based organizations, and companies to offer over 31,000 employment and internship opportunities to at-risk youth and young adults ages 14 to 24, and is described in more detail on Exhibit A attached hereto;

B. WHEREAS, City has asked for Sponsor to sponsor the Program by, among other things, accepting funds contributed from the general public in support of the Program, to hold and administer such funds, and to make grants and other expenditures from such funds in furtherance of the Program, subject to the terms and conditions of, and as further described in, this Agreement (the "Sponsored Project");

C. WHEREAS, Sponsor has determined that the Sponsored Project will further Sponsor's charitable, educational, and other tax-exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code");

D. WHEREAS, Sponsor has created a restricted fund designated for the Program (the "Fund") and intends to deposit to the Fund all amounts that Sponsor may receive for the Program, including without limitation funds received from individuals, foundations or other organizations that are clearly designated for the Program; and

E. WHEREAS, Sponsor will make grants and other expenditures from the Fund in furtherance of the Program, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises herein, the value and sufficiency of which are hereby acknowledged, the Parties agree as follows:

TERMS

SECTION 1. General Terms.

1.1 Term.

(A) The term of this Agreement shall commence on the Effective Date and shall continue until December 31, 2018, unless earlier terminated as described below or extended as described in the following sentence (the "Term"). The parties may at any time before this Agreement expires agree in writing to

extend the Term for up to two additional periods, each period not to exceed one year, under the same terms and conditions as this original Agreement.

- (B) Upon thirty days' prior written notice, either Party may terminate this Agreement upon such Party's reasonable determination, in such Party's sole discretion, that the other Party has violated the terms of this Agreement or that the purposes of the Sponsored Project cannot be fulfilled.
- (C) Upon sixty (60) days' prior written notice, either Party may terminate this Agreement for any reason.

1.2 **Upon Termination.** Upon the termination of the Agreement, in Sponsor's sole discretion:

- (A) Sponsor shall identify a not-for-profit organization that has been recognized as exempt from federal income taxation as an organization described in section 501(c)(3) of the Code and that is willing and able to sponsor the Sponsored Project, and Sponsor shall transfer the balance of the Fund to such successor fiscal sponsor; or
- (B) if no successor sponsor has been identified by Sponsor within thirty (30) days of termination, Sponsor shall spend the balance of the Fund for the purposes of the Sponsored Project through direct expenditures, transfers to a successor fiscal sponsor that Sponsor selects, or any combination thereof, in Sponsor's sole discretion.

SECTION 2. OSC Publicity.

- 2.1 To the extent that Sponsor receives contributions that are clearly designated as being in support of the Program, Sponsor shall contribute all such contributions to the Fund.
- 2.2 Sponsor and City shall work together in good faith to reasonably publicize the Program to the general public.
- 2.3 City may include Sponsor's names, logos, or trademarks (collectively "Sponsor Marks") in City's promotional materials for the Program, provided City uses only those Sponsor Marks provided by the Sponsor specifically for that purpose.

SECTION 3. Grant Funds and Restrictions.

- 3.1 **Grant Funds.** Distributions from the Fund (each, a "Distribution") will be made upon the authorization of Sponsor's Board of Directors or, if so directed by Sponsor's Board of Directors, Sponsor's President, to be used exclusively in furtherance of the Program. From time to time, City may recommend one or more grantee organizations to receive Distributions, the amount of such Distributions for the duration of the Program, and the number of children to be served by the grantee organization during the Program. Sponsor shall not be bound by any such

recommendation, and shall notify City whether the recommendation has been approved by Sponsor. If for any reason one or more of the grantee organizations or grant amounts proposed by City are not approved by Sponsor, City shall submit one or more substitute proposals for Sponsor's consideration and approval, and Sponsor shall notify City whether the substitute proposals have been approved by Sponsor.

Sponsor anticipates making Distributions on one or more distribution dates during the Term (each, a "Distribution Date"); provided, however, that the timing of Distributions shall be determined in Sponsor's sole discretion; and provided, further, that each Distribution shall be subject to the availability of sufficient funds in the Fund to make such Distribution. If for any reason Sponsor anticipates that it will be unable to make Distributions on any Distribution Date, Sponsor shall notify City in writing as soon as practicable prior to the applicable Distribution Date.

3.2 **Grant Agreements.** The Parties anticipate that Sponsor will make Distributions in the form of grants to grantee organizations proposed by City (each such organization, a "Grantee", and the funds granted, the "Grant Funds"). Sponsor will enter into a written grant agreement with each Grantee (each, a "Sponsor Grant Agreement"); and each Sponsor Grant Agreement will require, among other things, each Grantee to use the Grant Funds only for the specified purpose for which they were granted, to report to Sponsor on the use and expenditure of the Grant Funds, and to return to Sponsor any Grant Funds that were not used for their approved purpose within the approved time period. City agrees that Sponsor is not responsible for ensuring the appropriate use of Grant Funds by the Grantees.

After Sponsor approves any proposed Distributions, City may amend City's existing delegate agency grant agreements with grantee organizations, or enter into new such agreements (collectively, the "Delegate Agency Agreements"), to address the work to be funded by such Distributions, and to clarify that the Distributions are grants from Sponsor and not from City; provided, however, that Sponsor must review and approve any new or amended provision that references Sponsor, the Fund, or Distributions from the Fund. No such amended or new Delegate Agency Agreement may suggest or infer that Sponsor is making payments to a grantee organization on behalf of City.

3.3 **Changes in Sponsored Project.** Any changes in the purposes for which the Grant Funds are to be spent must be approved in writing by Sponsor before implementation, which approval shall not be unreasonably withheld.

3.4 **No Lobbying.** Sponsor will not accept any funds for the Sponsored Project or release any Grant Funds that are earmarked to be used in any attempt to influence legislation within the meaning of section 501(c)(3) of the Code.

3.5 **No Campaigning or Other Improper Actions.** Sponsor will require each Grantee to agree that no portion of the Grant Funds may be used:

(A) to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office;

- (B) to engage in or induce or encourage violations of law or public policy;
- (C) to cause any private inurement or improper private benefit to occur; or
- (D) to take any other action inconsistent with section 501(c)(3) of the Code.

SECTION 4. City Recommendations.

- 4.1 Pursuant to the terms and conditions of this Agreement, City shall have the ability to make recommendations to Sponsor regarding Sponsor's approval or rejection of a proposed Distribution. Sponsor shall not be bound by any such recommendation.

SECTION 5. Personnel Matters.

- 5.1 **No Employees.** In no event shall any personnel of City, any Grantee, or any vendor who are to be compensated as employees, independent contractors, or otherwise for working directly on the Program be employees or independent contractors of Sponsor or be eligible to purchase or obtain health care or other benefits from Sponsor.

SECTION 6. Sponsor Services.

- 6.1 **Sponsor's Services.** Pursuant to the terms of this Agreement, Sponsor shall perform the following services (the "**Services**"):
 - (A) manage the Fund for the Program;
 - (B) maintain accurate books and records with respect to the Fund;
 - (C) provide City with reports of income and expenditures from the Fund on a quarterly basis;
 - (D) provide City with detail of income and expenditures and a balance sheet of the Fund as of October 1, 2018;
 - (E) provide City with a listing of the names and addresses of donors to the Fund, along with the amount of their respective donations thereto, to be used by City solely for the exclusive purpose of providing "thank you" letters to, or other acknowledgment of, such donors, which the Parties acknowledge and agree City is under no obligation to do;
 - (F) report on and include the Fund in Sponsor's financial statements and applicable tax filings; and
 - (G) provide all applicable receipts and acknowledgements of tax-deductible donations and grants, to the extent legally required or deemed desirable by Sponsor, with respect to donations, contributions, and grants to Sponsor for the Sponsored Project.

- 6.2 **No Sponsor Fee.** Sponsor shall not charge a fee for the Services. Sponsor hereby agrees to provide the Services for no charge.
- 6.3 **No Sponsor Contribution.** Sponsor shall be under no obligation to make a grant from its general funds for the Program or in support of the Sponsored Project.
- 6.4 **Advances.** Sponsor shall be under no obligation to advance funds to the Fund or to any Grantee to ensure that adequate funds are on deposit to cover any or all expenses incurred by a Grantee for the Program; provided, however, that if for any reason Sponsor anticipates that it will be unable to make Distributions on any Distribution Date, Sponsor shall notify City in writing as soon as practicable prior to the applicable Distribution Date. In the event that any funds nonetheless are so advanced, at any time after such advance Sponsor may transfer funds from the Fund to its general funds in an amount equal to the amount of such advance.
- 6.5 **No Operation of Program.** Except as specifically set forth herein, Sponsor shall be under no obligation with respect to, and shall not participate in, the operation of the Program, including, without limitation, securing agreements with third parties for contributions to the Program, identifying employment or job training opportunities or business partners for the Program or its participants, or any other aspect of the Program operations.

SECTION 7. Donor Information; No Political Campaign Activity.

- 7.1 City agrees and acknowledges that the information provided by Sponsor pursuant to Section 6.1(E) may not and shall not be used by City or any of its affiliates, or licensed or otherwise transferred to any third-party to be used, for any political campaign or lobbying purpose within the meaning of Section 501(c)(3) of the Code.

SECTION 8. Reimbursement.

- 8.1 City hereby agrees to reimburse Sponsor, upon demand, for any losses, other than consequential damages, incurred by Sponsor (including all reasonable attorneys' fees and expenses) as a result of any act or omission of City, its employees, or agents, except to the extent that such claims, liabilities, losses, or expenses arise from or in connection with any gross negligence or intentional misconduct of Sponsor, its directors, officers, employees, or agents.
- 8.2 Sponsor hereby agrees to reimburse City, upon demand, for any losses, other than consequential damages, incurred by City (including all reasonable counsel fees and expenses) as a result of any act or omission of Sponsor, its employees, or agents, except to the extent that such claims, liabilities, losses, or expenses arise from or in connection with any gross negligence or intentional misconduct of City, its officials, employees, or agents.

SECTION 9. General Provisions.

9.1 Entire Agreement. This Agreement contains all of the terms agreed upon by the Parties with respect to its subject matter and supersedes all prior agreements, arrangements, and communications between the Parties, whether oral or written, concerning its subject matter.

9.2 Amendment. This Agreement may be amended only by the written agreement of the Parties.

9.3 Waiver. Waiver by either Party of any term or condition of this Agreement or any breach hereof does not constitute a waiver of any other term or condition.

9.4 Headings and Sections.

(A) The subject headings used in this Agreement are included for purposes of reference and convenience only and shall not affect the construction or interpretation of any of its provisions.

(B) References in this Agreement to "Section" without elaboration are references to the numbered sections of this Agreement.

9.5 Governing Law. This Agreement is governed by the laws of the State of Illinois.

9.6 Effect of Agreement. This Agreement is binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

9.7 Assignment. This Agreement may be assigned by either Party only upon the prior written approval of the other Party.

9.8 Notices. All notices, requests or other communications required under this Agreement must be in writing and delivered personally (including by private courier) or by mail to the addresses indicated below:

If to City	Department of Family and Support Services 1615 West Chicago Avenue Executive Offices, 5th Floor, Chicago, Illinois 60622 Attn: Commissioner With copies to: Department of Law City Hall, Room 600 121 North LaSalle Street Chicago, Illinois 60602 Attention: Corporation Counsel
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If to Sponsor	<p>Thrive Chicago NFP 211 W. Wacker Drive Suite 1000 Chicago, IL 60606 Attention: President and Chief Impact Officer</p> <p>With copies to:</p> <hr/> <hr/> <hr/>
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If notice is given personally, it shall be deemed to be delivered when actually delivered to the business address of the person entitled to notice. Any notice given in accordance with the provisions of this section shall be deemed to be effective, if delivered by delivery service, on the date of such delivery, or if by mail, upon the second day following the date of such mailing in a sealed envelope so addressed, with postage thereon prepaid. Each Party must give notice to the other Party of a change of its address for the purpose of giving notice under this Section.

9.9 **Counterparts.** This Agreement may be executed in any number of counterparts, including counterparts transmitted by electronic mail or facsimile, each of which so executed is deemed to be an original, and such counterparts together, upon delivery, shall constitute one and the same instrument.

9.10 **Non-Liability of Public Officials.** Sponsor and any of its assignees or subcontractors must not charge any official, employee, or agent of City personally with any liability or expenses of defense or hold any official, employee, or agent of City personally liable to them under any term or provision of this Agreement or because of City's execution, attempted execution, or any breach of this Agreement.

9.11 **Inspector General.** It is Sponsor's duty and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Sponsor's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 (Office of Inspector General) of the Municipal Code of Chicago, as amended (the "Municipal Code"). Sponsor represents that it understands and will abide by all provisions of Chapters 2-56 of the Municipal Code and that Sponsor will inform subcontractors of this provision and require their compliance.

9.12 **Independent Contractor.**

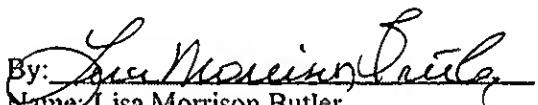
(A) Nothing in this Agreement shall constitute the naming of City or any Grantee as an agent or legal representative of Sponsor for any purpose whatsoever.

IN WITNESS WHEREOF, each of the undersigned has caused this Fiscal Sponsorship Agreement to be signed on its behalf by an authorized representative or officer, as the case may be, as of the Effective Date.

SPONSOR:
THRIVE CHICAGO NFP

By: 
Name: Sandra Abrevaya
Title: President & Chief Impact Officer

CITY:
**CITY OF CHICAGO, ACTING BY AND
THROUGH ITS DEPARTMENT OF
FAMILY AND SUPPORT SERVICES**

By: 
Name: Lisa Morrison Butler
Title: Commissioner

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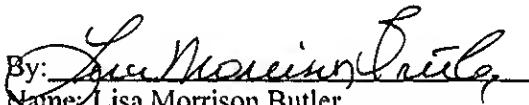
By: 
Name: Lisa Morrison Butler
Title: Commissioner

EXHIBIT A

Description of the Program

The Program is a City initiative to provide youth and young adults between the ages of 14 to 24 with meaningful summer employment and learning opportunities. To achieve this initiative, City and public agency partners came together to leverage their resources to provide the maximum number of high-quality employment opportunities. Department of Family and Support Services (“DFSS”) is the coordinator of the program.

OSC 2018 coding expansion. The coding expansion program is designed to develop a participant’s knowledge of technology by engaging youth in activities such as designing websites, building mobile apps and exploring careers in the technology industry.

The Program is comprised of the following three core sub-programs:

Chicagobility

Chicagobility is a new program model in 2018 for DFSS targeting younger youth ages 14 -15 with an emphasis on project-based learning and activities that can be delivered in a cohort of 20 youth with a lead teacher or instructor. The program will pay a stipend of \$75 a week for a total of \$450. Youth will participate in a minimum of 120 hours of combined community engagement, workforce development, *online career exploration, financial literacy and project based learning. DFSS is asking for agencies to design and deliver a six-week program guided by a curriculum with a lead coach or instructor in the area of interest. The Respondent will submit a six- week program design that involves; (1) Community-contribution or improvements (2) Sustainability, (3) Project should be within the community that the youth are from.

SYEP

The Summer Youth Employment Program (SYEP) is a 7 week program designed to reduce violence involvement by providing career exposure, develop employability skills through training and enrichment opportunities for youth participants ages 16-24. Youth will be engaged in program opportunities for a total of 20 hours per week for 7 weeks. The support services to include but not limited to: job readiness workshops, financial literacy, community service projects and enrichment opportunities as part of the program.

OSC PLUS

One Summer Chicago PLUS (OSC+) is a specialized violence prevention summer workforce program for high need youth, ages 16-21. The goal of Mayor Rahm Emmanuel’s One Summer Chicago Plus program is to empower youth during summer months with safe, meaningful, work experiences. Through the program, youth gain valuable job skills financial literacy and real-world work experience while being connected to caring adults. OSC+ provides youth subsidized wages for 20 hours a week at \$8.25 an hour.